



August 20, 2017

Dear Parishioners,

At the end of June, we completed our fiscal year. You will find our numbers for the year in this annual report. It's a lot of numbers, which can sometimes be overwhelming to look at. I would like to highlight a few of these numbers.

As we begin, it is important to note that we began our 2016-2017 fiscal year with a surplus of \$121,422. This surplus came from the work we did to reconcile our books during the transition of our business managers. We found that certain accounts did not match, luckily, to our benefit. Although we ended 2016-2017 with a deficit, we were able to cover this with our surplus from the last year.

Let's first look at the parish side and our Sunday and other collections. We did not hit our budget this year. Over the last couple of years, we have increased this line item but it seems clear that we can no longer continue to do that. We also lost a Sunday because of how Christmas fell this past year and it is sad to say, that like most parishes, this does affect our collections.

On the school side, on our tuition and vouchers line, we ended up having fewer students come back and a couple others did not qualify for vouchers so this line is off. It will be off again this year with fewer students returning than we had budgeted for this coming year.

Looking at the fees line, we had more income than we budgeted for because of prior year tuition payments and field trip payments. We also saw an increase in sales from extras in the cafeteria.

On the expense side of the budget, we changed the timing of salary payments to the teachers so that it now aligns with our fiscal year. This will help us track our salary expense each year because it now falls completely within the fiscal year of July to June. We used some of our funds in the ADLF payroll savings account to pay this difference. We also went over our budgeted line for teacher leave due to some health issues. The difference in our insurance line was that one more person chose to use our insurance this year than we had planned.

Our interest and operating fees were larger than expected because of people using credit cards to pay for tuition. We have made a change in our policy for this coming year and will no longer accept credit cards for tuition. Other expenses include repairs to several devices in the school, as well as some expense for parish staff, that were not budgeted for.

Our utilities were off because of a couple of issues. Electric and gas bills for the school were higher than budgeted. We also had a large underground water leak that we thankfully caught quickly. However, this caused both our sewer and water bills to increase. The expense to fix this leak is reflected in our property and facilities line, which is also higher than budgeted because of fixing an issue with our school HVAC system along with bus repairs.

Overall, we were a little over budget for the year due to several new initiatives and unexpected items that needed repair. Our budget for this coming year should more accurately reflect these items, however, we will miss our mark for tuition this year because of lower than budgeted population in our school.

I want to thank you all for your generosity in giving this past year. Your financial sacrifices help us to continue to do the good work God calls us to here at St. Michael's.

May God bless you,

A handwritten signature in black ink, appearing to read 'A. Jenkins', is written over a light gray rectangular background.

Fr. Aaron Jenkins, MDiv